

Kenai Peninsula Borough Purchasing & Contracting Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Peter A. Micciche, Mayor *PAM*
Brandi Harbaugh, Finance Director *BH*

FROM: John Hedges, Purchasing & Contracting Director *JH*

DATE: April 20, 2023

RE: Ordinance 2022-19-711, Appropriating Funds from the South Peninsula Hospital Plant Replacement and Expansion Fund for Upgrades to the Generator Annunciator and Switch Gear at South Peninsula Hospital (Mayor)

The Kenai Peninsula Borough ("Borough") has entered into an Operating Agreement with South Peninsula Hospital, Inc. ("SPHI") for operation of the South Peninsula Hospital and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the service area residents.

South Peninsula Hospital Administration has identified the need to upgrade the annunciator and switch gears for the backup generators in order to meet current life safety codes and remedy an outstanding CMS (Centers for Medicare and Medicaid Service) citation.

The cost of the repairs necessary to bring the existing system back into compliance is estimated at \$613,020.

Funding is available from the SPH Plant Replacement and Expansion Fund ("PREF"). Current balance of SPH's Unobligated PREF is \$6.5 million.

Your consideration is appreciated

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>491.20602</u>	Amount: <u>\$613,020</u>
By: <u>cg</u>	Date: <u>4/20/2023</u>